

IN THE MATTER OF: )  
)  
)  
Midwest Farmland Acquisitions, )  
its partners, members, )  
officers, directors, agents, employees, ) File Number: 1000325  
affiliates, successors and assigns; )  
Agricultural Network Corporation, )  
its partners, members, )  
officers, directors, agents, employees, )  
affiliates, successors and assigns; )  
)

**TO RESPONDENTS:**

Nicolas Hindman CFO  
Agricultural Network Corporation  
3333 W. Warrenville Road  
Suite 200  
Lisle, Illinois 60532

Mel Krumdick  
As Agent for  
Agricultural Network Corporation  
3333 W. Warrenville Road  
Suite 200  
Lisle, Illinois 60532

Todd A. Dyer  
As President of Midwest Farmland Acquisitions  
813 Kendall Lane  
Lake Geneva, Wisconsin 53147

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the “Act”), the failure to request a hearing within thirty (30) calendar days of

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the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

### **BACKGROUND FACTS**

1. Respondent Mark L. Borst ("Borst"), a natural person, has a last known address in Lake Geneva, Wisconsin. Borst was issued an Order of Prohibition, prohibiting him from offering or selling securities by the Illinois Secretary of State Securities Department in 2011.
2. Respondent Nicolas Hindman ("Hindman"), a natural person, has a last known address in Illinois and is purported to be the Chief Financial Officer of Midwest Farmland Partners, Midwest Farmland, Midwest Farmland Acquisitions, American Farmland Partners Corporation and is a CPA.
3. Respondent Todd Dyer aka Todd Allen and Allen Todd ("Dyer"), a natural person, has a last known address in Lake Geneva, Wisconsin. Dyer claims to be the president of Midwest Farmland Acquisitions.
4. Respondent Todd Dyer has been previously issued an Order to Cease and Desist by the Wisconsin Department of Securities and an Order of Prohibition from offering or selling securities by the Illinois Secretary of State Securities Department in 2000.
5. Respondent Mel Krumdick is a natural person, has a last known address in Oak park, Illinois and is the registered agent for Midwest Farmland Acquisitions, Midwest Farmland Management Corporation, Agricultural Network Corporation and Green Opportunities, Inc. Krumdick represents himself to be a Roman Catholic Priest.
6. Respondent Midwest Farmland Limited Partnership (MFLP) is an Illinois Corporation, with the last known address of 3333 W. Warrenville Road, Lisle, Illinois 60532.
7. Respondent Midwest Farmland Acquisitions ("MFA ") was a Wisconsin Corporation, with the last known address of 813 Kendall Lane, Lake Geneva, Wisconsin.

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8. Respondent Midwest Farmland Management Corporation. ("MFMC ") is an Illinois Corporation, with the last known address of 3333 W. Warrenville Road, Lisle, Illinois 60532.
9. Respondent American Farmland Partners Corporation is an Illinois corporation with the last known address of 3333 W. Warrenville Road, Lisle, Illinois 60532; with Respondent Hindman as the agent and principal.
10. Respondent Agricultural Network Corporation is an Illinois Corporation, with the last known address of 3333 W. Warrenville Road, Lisle, Illinois 60532, with Respondent Hindman as the agent and principal and was involuntarily dissolved on August 13, 2010.
11. Beginning in 2008 Respondents offered and sold from Illinois, securities in the form of stock and stock warrants.
12. Respondents offered the securities with a general solicitation on their web sites, including but not limited to: [www.midwestfarmlandpartners.com](http://www.midwestfarmlandpartners.com) and [www.farmerslandcorporation.com](http://www.farmerslandcorporation.com).
13. Respondents advertised their offering on a Chicago Radio Station WFMT and obtained investors as a result of said advertising.
14. The securities offered and sold stock to the investors and promised investors "a minimum, fixed, annual 6% priority return" to investors.
15. Respondents also stated that there are "no fees, charges, loads or commissions taken from investor funds..."
16. Respondents state on their website:  
"Midwest Farmland Partners is a part of a publicly traded company whose stock price reflects not only the value of the assets owned by the company but also a multiple of the companys annual earnings."
17. Respondents web site also touts the tax benefits of this investment stating:  
"every dollar you invest, receive a dollar tax credit." And "every dollar you earn from this investment you pay only a 15% maximum tax."
18. Respondents engaged in a Scheme in which they took investors money on the premise that the money would be used to purchase farmland and improve the farm's ability to produce.
19. Respondents failed to invest in farmland.
20. Respondents refused or omitted to inform investors that Midwest Farmland is not part of a publicly traded company and has NO assets.
21. Respondents used investor money for personal use, including but not limited to, hotels, resorts, airfare, gentlemen's clubs, dining, Green Opportunities, Inc, and cash withdrawals.
22. Respondents were sent a request for information from the Illinois Secretary of State Securities Department (the "Department") in the form

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of an 11.C letter dated August 27, 2010 inquiring into Midwest Farmland Limited Partnership, Midwest Farmland Management Corporation, and/or Midwest Farmland Acquisitions.

23. Respondent, Todd Dyer sent a letter in response to the Department's 11.C letter, dated September 13, 2010, stating as follows:

I apologize for not getting back to you sooner however; I do not have immediate access to the materials you have requested. It is my understanding that you will be getting a response from Midwest Farmland Partners/Midwest Farmland Management Corporation CFO Nicholas Hindman to your inquiries. Additionally I will be working with Mr. Hindman and counsel to address your letter and will respond accordingly.
24. Respondents sent a notarized Affidavit in response to the Department request dated November 18, 2010 and said document was signed by Nicholas C. Hindman, Sr., Chief Financial Officer.
25. Respondents listed only two investors in their response, one in Illinois and one in Wisconsin.
26. Respondent refused or omitted to disclose all the information requested on the Department's 11.c letter, including but not limited to a comprehensive list of all the investors and the amount invested.
27. Respondents refused or omitted, to inform Investors that they were not registered with the Illinois Secretary of State Securities Department.

### Count I

#### FAILURE TO REGISTER SECURITIES

1. Paragraphs 1-27 are re-alleged and incorporated by reference.
2. The activities described above constitute the offer and sale of a stock and therefore a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
3. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or by qualification prior . . . to their offer or sale" in the State of Illinois.
4. Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.

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5. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person “to offer or sell any security except in accordance with the provisions of the Act.”
6. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person “to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.”
7. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

### **Count II**

#### **FRAUD**

1. Paragraphs 1-27 are re-alleged and incorporated by reference.
2. Respondents misrepresented the investment with false and misleading statements on the Private Placement memorandum and their internet web site.
3. Respondents misrepresented the nature of the investment, paid commissions of ten to twenty percent and failed to disclose to investors that the money was being used for personal use.
4. Respondents gave a false statement to the Department; stating the incorrect names of investors. The extent to which the Respondents gave fraudulent statements is not fully known.
5. That Section 12.F of the Act provides that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
6. That Section 12.G of the Act provides that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances in which they were made, not misleading.
7. That Section 12.H of the Act provides that it shall be a violation of the Act to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.
8. That Section 12.I of the Act provides that it shall be a violation of the Act to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
9. That by virtue of the foregoing, respondent violated Sections 12.F, 12.H, 12.G and 12.I of the Act.

**Count III**

**UNREGISTERED DEALER/SALESPERSON**

1. Paragraphs 1-27 are re-alleged and incorporated by reference.
2. Through the conduct described the above mentioned paragraphs, the Respondents acted as a dealer and/or salesperson for the sale of stock and warrants to investors.
3. That 12.C of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to act as a dealer, salesperson, investment advisor, or investment advisor representative, unless registered such, where such registration is required under this Act.
4. That at all relevant times, the Respondents were not registered as a dealer and/or salesperson under the Act.
5. That by acting as a salesperson and/or dealer in the State of Illinois, without being registered as such, Respondents violated section 12.C of the Act.

**Count IV**

**Violation of an Order of Prohibition**

1. Paragraphs 1-27 are re-alleged and incorporated by reference.
2. Respondent Dyer was permanently prohibited from offering and selling securities in 2000 and Dyer continues to offer and sell warrants for Midwest Farmland Limited Partnership, Midwest Farmland Management Corporation, and/or Midwest Farmland Acquisitions.
3. Respondent Dyer enlisted Respondent Borst to offer and sell securities.
4. That the respondent violated the 2000 Order by offering and selling securities in the State of Illinois without complying with the Act.
5. Section 12.A of the Act provides, *inter alia*, that it shall be a violation for any person "to offer or sell any security except in accordance with the provisions of the Act."
6. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person "to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act."
7. That by virtue of the foregoing violations the Respondent, Dyer, violated Sections 12.A and 12.D of the Act.

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WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusions of Law as follows:

Respondents violated Sections 12.A, 12.C, 12.D, 12.F, 12.H, 12.I and 12.G of the Act.

NOW THEREFORE IT IS HEREBY ORDERED: That pursuant to Section 11.F of the Act, the Respondents, Midwest Farmland Acquisitions, its Partners, Members, Officers, Directors, Agents, Employees, Affiliates, Successors, and Assigns, and Agricultural Network Corporation, its Partners, Members, Officers, Directors, Agents, Employees, Affiliates, Successors, and Assigns Affiliates, Successors, and Assigns **shall be and are hereby PERMANENTLY PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This <sup>8th</sup> day of August, 2011.

gm



JESSE WHITE

Secretary of State  
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:  
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